

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE COMPLIANCE)	
BY WHITLEY COUNTY WATER DISTRICT NO. 1)	
WITH THE COMMISSION'S ORDER IN CASE)	CASE NO. 8530
NO. 8220, ENTERED OCTOBER 26, 1981,)	
AND ITS CURRENT FINANCIAL CONDITION)	

ORDER

On October 26, 1981, the Public Service Commission issued an order in Case No. 8220 wherein it granted Whitley County Water District No. 1 ("Whitley County") authority to increase its rates for water service by \$45,124 annually.

In its order in Case No. 8220, the Commission made the following findings:

Finding No. 3 - Whitley County should be required to establish a special interest bearing account, for the purpose of accumulating annual funds of \$8,040 to meter the remainder of its water distribution system.

Finding No. 4 - Whitley County should be required to submit a quarterly report to the Commission setting out the following information:

- a. Monthly deposits of \$670 to the account;
- b. Interest earnings credited to the account;
- c. All disbursements to the account and the recipients thereof.

Finding No. 5 - The stipulations in findings three and four will apply to Whitley County's accumulation of annual funds of \$22,340 for the purpose of paying interest on long-term debt, the monthly deposit to this account being \$1,862.

The Commission required Whitley County to comply with these findings.

The Commission has reviewed the record in Case No. 8220 and Whitley County's 1981 annual report. Appearing that Whitley County may not have met the requirements of the above-stated findings, it is the opinion of the Commission that Whitley County should be prepared to offer proof of its compliance with the order in Case No. 8220.

Further, having made a comparative analysis of Whitley County's operating expenses for the test year 1980 in Case No. 8220 and the calendar year 1981, the Commission finds an increase in these expenses of \$42,409. This change in financial position has direct bearing on Whitley County's ability to comply with the Commission's order in Case No. 8220. The Commission is therefore of the opinion that Whitley County should be prepared to present evidence with regard to the following unusual increases in operating expense accounts:

Purchased Water	\$17,847
Maintenance of Pumping Plant	5,271
Maintenance of Mains	7,299
Maintenance of Other Plant	2,953
Supplies and Expenses (Customer Accounts)	2,090
Office Supplies & Other Expenses	3,133
Outside Services Employed	2,945
Property Insurance	1,053

IT IS THEREFORE ORDERED that Whitley County Water District No. 1 shall appear and give testimony regarding compliance with the order of the Commission in Case No. 8220 and the unusual increases in its operating expense accounts.

IT IS FURTHER ORDERED that the record in Case No. 8220 and the 1981 annual report filed with the Commission be and they hereby are made a part of the record in this proceeding.

IT IS FURTHER ORDERED that this matter be and it hereby is set for hearing on the 17th day of June, 1982, at 1:00 p.m., Eastern Daylight Time, in the Commission's offices at Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 19th day of May, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohs
Chairman

Katherine Bendall
Vice Chairman

Sam Carver
Commissioner

ATTEST:

Secretary